

Volta Finance Ltd

Monthly Report – November 2017



Data as at 30 November 2017

Gross Asset Value	€351.3m
Estimated liabilities	€43.2m
Estimated NAV	€308.1m
Estimated NAV per share	€8.43
Outstanding Shares	36.6m
Share Price (Euronext)	€7.15
Share Price (LSE)	€7.13

Tickers	VTA.NA
	VTA.LN
ISIN	GG00B1GHHH78

Fund Facts

Launch Date	Dec-2006
Fund Domicile	Guernsey

Listing and Trading

	AEX
	LSE
Type of Fund	Closed-ended

Dividend

Dividend	Quarterly
Trailing 12m Div. Yield ³	8.67%

Base currency

Base currency	EUR
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Assets types

Assets types	Corporate
	Credit and ABS

Background and Investment Objective

AXA Investment Managers Paris (“AXA IM”) has been the Investment Manager of Volta Finance Limited (“Volta”) since inception. Volta’s investment objectives are to preserve capital across the credit cycle and to provide a stable stream of income to its Shareholders through dividends. For this purpose, Volta pursues a multi-asset investment strategy on deals, vehicles and arrangements that provide leveraged exposure to target Underlying Assets (including corporate credit, residential and commercial mortgages, auto and student loans, credit card and lease receivables).

Fund Performance

+11.4%	15.23%
Annualised since inception ¹	Annualised over 5 years ¹
+0.1%	€308.1m
1 month ²	Estimated NAV as of November 17

Returns ²	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2017	1.3%	0.9%	0.9%	-0.5%	0.6%	0.1%	-0.2%	0.4%	0.6%	1.7%	0.1%	-	6.0%
2016	-4.0%	-2.9%	4.1%	2.0%	1.3%	-0.9%	5.5%	2.8%	1.4%	2.0%	2.7%	1.4%	15.2%
2015	3.7%	1.3%	3.1%	1.7%	1.6%	-0.7%	0.1%	-0.6%	-1.7%	0.1%	1.1%	0.1%	10.0%
2014	2.7%	-1.6%	0.8%	0.7%	1.5%	0.7%	1.3%	1.3%	2.4%	0.4%	1.7%	0.3%	12.4%
2013	3.6%	1.5%	2.5%	0.1%	4.1%	-0.7%	3.1%	2.0%	0.7%	2.4%	2.9%	1.3%	25.3%

¹ Share (VTA.NA) performance (annualised figures with dividends re-invested). Source: Bloomberg (TRA function)

² Performance of published Estimated NAV (including dividend payments)

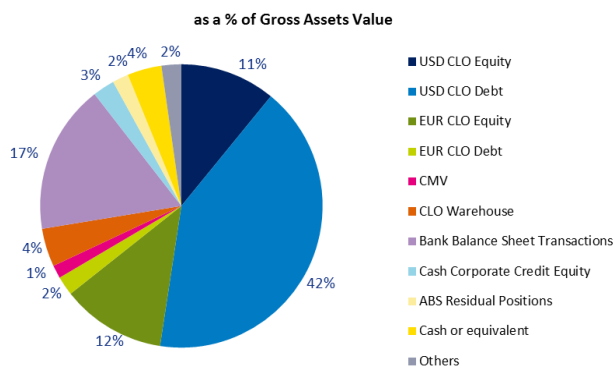
³ Calculated as the most recent annual dividend payments versus the month-end share price (VTA.NA)

Historical Performance



Source: Bloomberg (TRA function) as of November 2017

Asset Breakdown



Source: AXA IM, as of November 2017

Monthly Commentary

In November, Volta’s Estimated NAV* performance was +0.1%, bringing the performance for the year to date to 6% (dividends reinvested at NAV).

On 21 December, Volta will pay a quarterly dividend of 0.16 euro per share (with an ex-dividend date of 30 November) representing an annualised yield of 9% based on the end of November share price.

The November performance was adversely impacted by the depreciation of the US Dollar against the Euro (-0.7% impact) which more than reversed the 0.4% positive contribution in October. As we have noted previously, currency exposure, principally to the US Dollar, is not intended to act as a meaningful driver of medium to long term performance. Rather, the foreign currency exposure is not fully hedged back to Euro to avoid excessive liquidity demands if hedges were to move adversely and also to limit the cash drag that arises from the need to maintain margin against open hedges. The estimated impact of currency exposures were +0.8% in 2016 and -2.5% for 2017 (as at the end of November).

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In November, exposures were increased to the CLO Equity bucket as well as the Bank Balance sheet bucket. It is expected that we will continue to do so at the expense of CLO Debt positions given the significant tightening of CLO debt tranches. During the month, Volta purchased nine assets: two Euro CLO Equity positions, two Bank Balance Sheet transactions and five CLO Debt BB tranches for the equivalent of €24.3m with an average projected yield of close to 9.6% under market standard assumptions. No sales occurred in November.

At the end of November 2017, Volta's Estimated NAV was €308.1m or €8.43 per share calculated on a cum-dividend basis (i.e. before deduction of the dividend of €0.16 per share). The GAV stood at €351.3m.

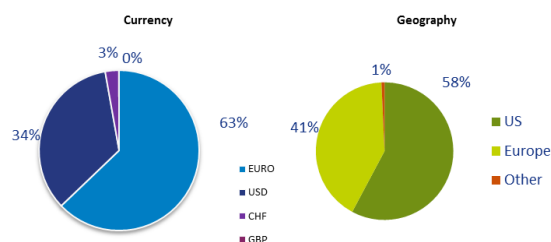
In November, mark-to-market variations of Volta's asset classes were: +0.9% for Bank Balance Sheet Transactions; +0.2% for CLO Equity tranches; +1.3% for CLO Debt tranches, 0.0% for Cash Corporate Credit deals; and +0.5% for ABS.

In November, Volta generated the equivalent of €0.7m in interest and coupons net of repo costs (non-euro amounts translated into euro using end-of-month cross currency rates). This brings the total cash amount generated during the last six months in terms of interest and coupons to €16.2m.

"It should be noted that approximately 11.4% of Volta's GAV comprises investments in funds for which the relevant NAVs as at the month-end date are normally available only after Volta's NAV has already been published. Volta's policy is to publish its own NAV on as timely a basis as possible in order to provide shareholders with Volta's appropriately up-to-date NAV information. Consequently, such investments in funds are valued using the most recently available NAV for each fund. The most recently available fund NAV was for 9.9% as at 31 October 2017 and for 1.5% as at 29 September 2017.

*** "Mark-to-market variation" is calculated as the Dietz-performance of the assets in each bucket, taking into account the Mark-to-Market of the assets at month-end, payments received from the assets over the period, and ignoring changes in cross currency rates. Nevertheless, some residual currency effects could impact the aggregate value of the portfolio when aggregating each bucket.*

Currency and Geography exposures (%)



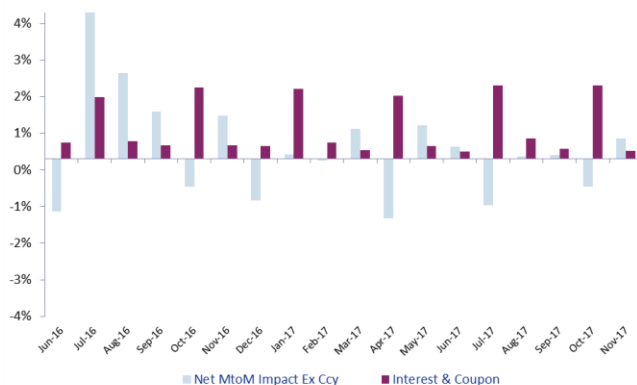
Source: AXA IM, as of November 2017 (% of NAV for ccy / % of GAV for geography)

Portfolio Composition by Asset Type

Market Value (€m)		Breakdown (% GAV)	
CLO	254,4	USD CLO Equity	10,9%
		USD CLO Debt	41,5%
		EUR CLO Equity	11,9%
		EUR CLO Debt	2,2%
		CMV	1,5%
		CLO Warehouse	4,4%
Synthetic Corporate Credit	59,9	Synthetic Corporate Credit Equity	0,0%
		Bank Balance Sheet Transactions	17,0%
Cash Corporate Credit	8,8	Cash Corporate Credit Equity	2,5%
		Cash Corporate Credit Debt	0,0%
ABS	14,4	ABS Residual Positions	1,8%
		ABS Debt	2,3%
Cash or equivalent	13,8	Cash or equivalent	3,9%
GAV	351,3		
Liability	(38,1)	Debt from Repurchase Agreement	(10,8)%
Fees due	(5,1)	Fees due to Investment Manager	(1,4)%
Estimated NAV	308,1	Per Share	8,43

Source: AXA IM, as of November 2017

Last Eighteen Months Performance Attribution



Source: AXA IM, as of November 2017

Top 10 Underlying Exposures

Issuer	%	Bloomberg Industry Group
Altice / Numericable / SFR Group / Ypso	0.60%	Telecommunications
TransDigm	0.48%	Aerospace/Defense
Dell International	0.45%	Household Products
First Data Corporation	0.41%	Software
Ziggo	0.38%	Telecommunications

Issuer	%	Bloomberg Industry Group
Calpine	0.38%	Utilities
Asurion	0.37%	Building and Development
Advantage Sales & Marketing	0.36%	Advertising
ION Media Networks	0.35%	Media: Broadcasting & Subscription
Travelport	0.32%	Transportation

Source: Intex, Bloomberg, AXA IM Paris as of November 2017 – unaudited figures - not accounting for unsettled trades Figures expressed in % of the Estimated NAV

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